Document #4832

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

Re: Ground Leases with Respect to Buildings 149 and 199 at the Charlestown Navy Yard

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WHEREAS, the Boston Redevelopment Authority (the "Authority") has entered into a ground lease (the "Building 149 Ground Lease"), dated May 23, 1985, with Constitution Office Park Associates Limited Partnership, a Massachusetts limited partnership ("COPALP"); and

WHEREAS, the Authority has entered into a ground lease (the "Building 199 Ground Lease"), dated May 23, 1985, with Navy Yard Parking Associates/LNRC Venture, a Massachusetts joint venture (the "Navy Yard Venture"); and

WHEREAS, the limited partners of COPALP and the limited partners of Navy Yard Parking Associates Limited Partnership, a Massachusetts limited partnership ("NYPALP") which is a general partner of the Navy Yard Venture, are about to transfer 100% of the limited partnership interests in said partnerships to Navy Yard-Biotechnical Research Associates Limited Partnership, a Delaware limited partnership ("Biotech LP"), having, as its sole general partner, Navy Yard Biotech, Inc., and, as its sole limited partners, Biotechnical Research Associates, a Massachusetts general partnership, and RCC International Corp., a Massachusetts corporation; and

WHEREAS, the general partnership interest of Lincoln National Realty Corporation in the Navy Yard Venture is to be simultaneously transferred to Navy Yard Parking Associates, Inc. ("Navy Yard Parking"), and 98% of the capital stock of Navy Yard Parking is to be simultaneously transferred to Biotech LP; and

WHEREAS, in connection with the foregoing transactions, COPALP and the Navy Yard Ventures propose to enter into subleases of space at Buildings 149 and 199 substantially in accordance with the proposal for such subleases previously furnished to the Authority; and

WHEREAS, in connection with the foregoing transactions, certain additional mortgage funding is to be provided to COPALP and the Navy Yard Venture.

NOW THEREFORE, be it resolved by the Boston Redevelopment Authority:

1. That the transfer of limited partnership interests in COPALP and NYPALP to Biotech LP, the transfer of the joint venture interest of Lincoln National Realty Corporation in the Navy Yard Venture to Navy Yard Parking and the transfer of 98% of the stock of Navy

Yard Parking to Biotech LP be and they hereby are approved; and

3. That, pursuant to the provisions of the Building 149 Ground Lease and the Building 199 Ground Lease, the Authority hereby consents to additional mortgage financing with respect to Buildings 149 and 199 in an amount not to exceed, in the aggregate, $130 million, such financing to be provided by: Bank of New England, Merrill Lynch Interfunding, Inc., Asian-Oceanic, Inc., Chase Manhattan Bank, N.A., Bank of Boston, First National Bank of Chicago and other institutional lenders (together with any subsidiary or affiliate of any of the foregoing); and

4. That, in connection with all the foregoing, the Director be, and he hereby is, authorized for and on behalf of the Authority to execute and deliver such consents, estoppel certificates and other documents as made be reasonably required to carry out the purposes and intent of the foregoing resolutions, incorporating the specific provision that the Authority will share in all proceeds in excess over project costs of approximately $61,000,000 (less the deductible outlined in the lease). The Authority will receive an initial payment of $1,000,000 on account of the Authority's share of net proceeds at the time of the initial closing.

# Fact Summary Sheet

## Navy Yard Transfer

**Property**

Buildings 149 and 199 at Charlestown Navy Yard

**Developer**

The Congress Group

**Lease Commencement Date**

May, 1985

**Total Project Cost**

$61,000,000

**Acquisition Price**

$83,000,000

**BRA Participation**

15% of excess of acquisition price over TDC minus allowed deductions

**New Owner**

Biotech Limited Partnership
Joseph Bartlett and Neil St. John Raymond General Partners

**Terms of BRA Payment**

$1,000,000 at close of sale. Remainder subsequent to auditing of financial statements.

Corrected
3,

MEMORANDUM December 3, 1986

**TO:** Boston Redevelopment Authority and
Stephen Coyle, Director

**FROM:** John Leigh, Assistant Director and
James English, Deputy Director
Harbor Planning & Development

**SUBJECT:** CHARLESTOWN NAVY YARD BUILDINGS 149 AND 199; TRANSFER OF LIMITED PARTNERSHIP INTERESTS IN CONSTITUTION OFFICE PARK ASSOCIATES LIMITED PARTNERSHIP AND NAVY YARD PARKING ASSOCIATES LIMITED PARTNERSHIP TO BIOTECH LIMITED PARTNERSHIP, THE TRANSFER OF THE JOINT VENTURE INTEREST OF LINCOLN NATIONAL REALTY CORPORATION IN THE NAVY YARD VENTURE TO NAVY YARD PARKING AND THE TRANSFER OF 98% OF THE STOCK OF NAVY YARD PARKING TO BIOTECH LIMITED PARTNERSHIP

As you are aware, in May of 1985 the Authority entered into an 80-year Ground Lease with Constitution Office Park Associates Limited Partnership ("COPALP") for Building 149 at the Charlestown Navy Yard and simultaneously entered into an 80-year Ground Lease with Navy Yard Parking Associates/LNRC Venture (the "Navy Yard Venture") for development of Building 199 at the Navy Yard. The Ground Leases contemplate development of Building 149 for office, retail, commercial and other lawful uses under the Charlestown Urban Renewal Plan and Building 199 for use as a parking facility.

COPALP, the owner of Building 149, has as its general partners The Congress Group and Realex Capital Corporation and as its limited partners Realex Capital Realty Company, Edward J. McCormack, Jr. and Ballast Associates Limited Partnership. The Navy Yard Venture has as its general partners Lincoln National Realty Corporation ("Lincoln Realty") and Navy Yard Parking Associates Limited Partnership ("NYPALP"). The general partners of NYPALP are the same as the general partners of COPALP (i.e., The Congress Group and Realex Capital Corporation). The limited partners of NYPALP are Realex Capital Realty Company, Edward J. McCormack, Jr. and Keel Associates Limited Partnership

The Partners of COPALP, the Navy Yard Venture and NYPALP have entered into an agreement with Biotechnical Research Associates, a Massachusetts general partnership having Neil St. John Raymond and Joseph W. Bartlett as its general partners, pursuant to which Biotechnical Research Associates has agreed to purchase all of the limited partnership interests in COPALP and NYPALP. At the same time, the general partnership interest of Lincoln National Realty Corporation in the Navy Yard Venture is to be transferred to a new Massachusetts corporation, Navy Yard Parking Associates, Inc. ("Navy Yard Parking") and 98% of the stock in Navy Yard Parking is to be transferred to Biotechnical Research Associates.

Biotechnical Research Associates will be taking title to the partnership interests and stock through Navy Yard - Biotechnical Research Associates Limited Partnership, a Delaware limited partnership having Navy Yard Biotech, Inc., a Massachusetts corporation, as its sole general partner and Biotechnical Research Associates and RCC International, Inc. as its limited partners.

The proposed transfer, if approved, will bring to the Navy Yard a new partnership whose general partner has substantial experience in the dvelopment of real estate and who has demonstrated ability in securing financing to bring projects to successful completion.

Despite the transfer of the interests outlined above, the terms of the leases executed between the Authority and the developer will remain intact; i.e., the developer will pay the Authority $500,000 per year in base rent for the two buildings and make an additional annual payment of 15% of net cash flow. The linkage obligation of $1,700,000 will be maintained by the new development entity and the properties will be fully taxable under standard City of Boston tax assessment procedures. At completion, the development is expected to employ in excess of 2,000 workers, thereby increasing job opportunities, further enlivening the Navy Yard and offering support to various retail entities in other Navy Yard Properties.

In addition, the leases for these properties require that the Authority receive 15% of the proceeds of both a sale or refinance of the project. Since this transaction qualifies as a sale as defined in the lease, the Authority will receive 15% of the excess of sales price over certified project cost. It is further anticipated that the Biotech Limited Partnership will soon need to refinance this project, thus triggering an additional payment to the Authority of 15% of the excess of total refinancing over the acquisition price.

As the proposed ownership entity is anxious to obtain control of the properties in order to pursue a timely tenant occupancy and since the proposed sale will generate substantial income to the Authority, it is recommended that the Authority approve the acquisition as described above.

An appropriate resolution is attached.